

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Nora Mead Brownell, and Suedeen G. Kelly.

Maine Public Service Company

Docket Nos. ER05-1055-000
ER05-1055-001

ORDER ACCEPTING FOR FILING REVISED TARIFF SHEETS

(Issued September 2, 2005)

I. Introduction

1. In this order, we accept for filing, the proposed revisions filed by the Maine Public Service Company (Maine) to the formula for the rates charged under the Maine Open Access Transmission Tariff (OATT) and grant waiver of the 60-day notice requirement to permit the revisions, as modified, to become effective on June 1, 2005.

II. Background and Proposal

2. In Order Nos. 646¹ and 631,² the Commission established new quarterly financial reporting requirements and revised the FERC Form No. 1. The Revised FERC Form No. 1 adds new schedules on ancillary services, and electric transmission peak loads, and updates the statistical classifications reported on certain schedules.

3. Maine revised its OATT on May 28, 2004, as amended on July 2, 2004, to reflect revisions to the FERC Form No. 1 in accordance with Order No. 631.³ Maine then

¹ *Quarterly Financial Reporting and Revisions to the Annual Reports*, Order No. 646, III FERC Stats. & Regs. ¶ 31,158, *order on reh'g*, Order No. 646-A, III FERC Stats & Regs., Regs. Preambles ¶ 31,163 (2004).

² *Accounting, Financial Reporting, and Rate Filing Requirements for Asset Retirement Obligations*, Order No. 631, III FERC Stats. & Regs., Regs. Preambles ¶ 31,142 (2003).

³ *Maine Public Service Company*, Docket Nos. ER04-894-000 and ER04-894-001,

became aware that additional changes to the FERC Form 1 are necessary in order to reflect Order Nos. 646 and 631.

III. Notice of Filings, Interventions and Protests

4. Notice of Maine's filing was published in the *Federal Register*, 70 Fed. Reg. 34,752 (2005), with comments, protests or interventions due on or before June 21, 2005. Notice of Maine's amended filing was published in the *Federal Register*, 70 Fed. Reg. 41,698 (2005), with comments, protests or interventions due on or before July 27, 2005.

5. On June 17, 2005, Maine Public Utilities Commission (Maine Commission) filed a timely Notice of Intervention.

6. On June 21, 2005, Houlton Water Company (Houlton) filed a Motion to Intervene and Protest. Houlton requests that the Commission not accept Maine's filing as made, but rather confirm that expenses recorded in the Noncorporate Proprietorship (Non-major only) cannot be recovered in this formula rate without a specific filing by Maine to include those expenses in the formula.

7. On July 6, 2005, Maine filed an Answer to Houlton's protest. Maine requested that the Commission accept its answer because it would clarify the record and would not delay the proceeding.

IV. Discussion

8. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §385.214 (2005), the notice of intervention and timely, unopposed motion to intervene serve to make the entities that filed them parties to this proceeding.

9. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. §385.213(a)(2) (2005), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept Maine's answer because it has provided information that assisted us in our decision-making process.

10. Houlton protests Maine's proposed revisions to its formula rates. Houlton states that Maine's proposed revisions reflect a summation of various FERC Form No. 1 line entries rather than the specific line entries. Houlton contends that in one case, Total Proprietary Capital, Maine's proposed revision changes the category of costs charged to transmission customers. Houlton states that this category was comprised of 13 line items in Maine's 2003 FERC Form No. 1, whereas it was comprised of 14 line items in

Maine's 2004 Form No. 1, with the addition of a line item for Noncorporate Proprietorship (Non-major only).

11. Houlton states that it has concerns even though Maine has not reported any amounts for Noncorporate Proprietorship (Non-major only) in its 2004 FERC Form No. 1 and even though Maine, as a major public utility, will not reflect any costs on this line. Specifically, Houlton contends that once the line item is included in Maine's formula Houlton and other customers would have to pay costs associated with this line item if Maine records expenses to this line item in the future (e.g., if the definition of non-major changes). Houlton asks that the Commission either reject the proposed change or modify it by confirming that expenses recorded in Noncorporate Proprietorship (Non-major only) may not be recovered absent a filing by Maine to modify the formula and include those expenses.

12. Maine's answer states that it has resolved Houlton's issue. Maine commits that expenses recorded in the Noncorporate Proprietorship (Non-major only) account will not be recovered in the formula rate. Maine also submitted a substitute tariff sheet with additional revisions which exclude from the Maine formula rate amounts listed on the FERC Form No. 1 that relate to the new account reference regarding the Noncorporate Proprietorship (Non-major only) account. Maine states that it understands that Houlton supports the revisions set forth in the substitute tariff sheet and that Commission acceptance of these revisions will resolve the issues raises in Houlton's filing.

13. Maine's filing, as amended, is consistent with the requirements of Commission Order Nos. 646 and 631 making the necessary adjustments to the FERC Form No. 1 references on the tariff sheet and addresses Houlton's concerns, rendering Houlton's protest moot. We will therefore accept the revised tariff sheets as amended for filing to be effective June 1, 2005, as requested.⁴

The Commission orders:

Maine's proposed revised tariff sheets, as amended, are accepted for filing, to become effective June 1, 2005.

By the Commission.

(S E A L)

Linda Mitry,

⁴ *Central Hudson Gas & Elec. Corp.*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61, 089 (1992).

Deputy Secretary.